

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: January 13, 2012
POSITION: Oppose

BILL NUMBER: AB 1124
AUTHOR: N. Skinner

BILL SUMMARY: Energy Efficiency Program

Existing law requires the State Energy Resources Conservation and Development Commission (Energy Commission) to develop and implement a comprehensive program achieving greater energy savings in certain existing residential and nonresidential buildings. Beginning in 2009, existing law requires the California Public Utilities Commission (PUC), in regular triennial reports, to assess electrical and gas corporation implementation of the Energy Commission's comprehensive energy program.

This bill would require the PUC, when conducting the triennial review of electrical and gas corporation energy efficiency programs, to ensure the energy efficiency programs comply with specified principles.

FISCAL SUMMARY

The fiscal effect of this bill on the PUC is indeterminable. It is not clear how the PUC would "ensure" compliance with principles specified in the bill when reviewing gas and electrical corporation energy efficiency programs. The PUC notes reexamining current programs for compliance could necessitate a comprehensive and complex portfolio-wide assessment and reworking of energy efficiency programs. Finance notes any costs would be subject to review and evaluation during the budget development process.

The Energy Commission reports this bill would have no fiscal effect on the Energy Commission.

COMMENTS

Finance is opposed to this bill because it is vague in not specifying how the PUC would ensure compliance with the specified principles and could result in increased costs funded by rate increases passed through utilities to rate payers.

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)								Fund Code
	LA	(Dollars in Thousands)								
	CO	PROP								
	RV	98	FC	2011-2012	FC	2012-2013	FC	2013-2014		
8660/PUC	SO	No	-----	See Fiscal Summary -----					0462	
3360/Energy Comm	SO	No	-----	No/Minor Fiscal Impact -----					0465	
<u>Fund Code</u>	<u>Title</u>									
0462	Publ Utilities Comm Utilities Reimb Acct									
0465	Energy Resources Programs Account									

Analyst/Principal (0622) J. McGuinn	Date	Program Budget Manager Karen Finn	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

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